

**IN THE UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF TEXAS  
WACO DIVISION**

DAEDALUS BLUE, LLC,	§	
	§	
Plaintiff,	§	C.A. No. 6:20-cv-1152-ADA
	§	
v.	§	
	§	JURY TRIAL DEMANDED
MICROSOFT CORPORATION,	§	
	§	
Defendant.	§	
	§	

**ANSWER TO COMPLAINT**

Defendant Microsoft Corporation., (“Microsoft” or “Defendant”) by and through the undersigned counsel, hereby submits this answer to the Complaint filed by Daedalus Blue, LLC (“Daedalus” or “Plaintiff”) on December 16, 2020. In submitting this answer, Microsoft understands the terms “Microsoft,” “Asserted Patents,” and “Accused Products” to have the respective definitions that Daedalus provides in the Complaint. To the extent not expressly admitted below, Microsoft denies each and every allegation of the Complaint.

**INTRODUCTION**

1. Microsoft denies the first sentence of paragraph 1 of the Complaint. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in this paragraph of the Complaint, and therefore denies them.

2. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in this paragraph of the Complaint, and therefore denies them.

### **THE PARTIES**

3. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 3, and therefore denies them.

4. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 4, and therefore denies them.

5. Admitted.

6. Microsoft admits that it maintains corporate sales offices in Austin, Texas and San Antonio, Texas, in the Western District of Texas. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 6.

### **JURISDICTION AND VENUE**

7. This paragraph of the Complaint states conclusions of law as to which no response is required. To the extent a response is nonetheless deemed to be required, Microsoft admits that Daedalus's allegations purport to be based upon the Patent Laws of the United States, including 35 U.S.C. § 101, *et seq.*, and that Daedalus purports to assert that this Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1338(a). Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 7.

8. Denied.

9. Denied.

10. Denied.

11. Microsoft admits that Microsoft maintains corporate sales offices in Texas and in the Western District of Texas. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 11.

12. Denied.

### **FACTUAL ALLEGATIONS**

13. Denied.

14. Microsoft admits that Exhibit 1 to the Complaint appears to be a copy of United States Patent No. 7,177,886 (the “’886 Patent”), entitled “Apparatus and Method for Coordinating Logical Data Replication with Highly Available Data Replication,” and that the face of Exhibit 1 lists an issue date of February 13, 2007. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 14.

15. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 15, and therefore denies them.

16. Microsoft denies the first and second sentences of paragraph 16. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 16, and therefore denies them.

17. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 17, and therefore denies them.

18. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 18, and therefore denies them.

19. Microsoft admits that the quoted phrase in paragraph 19 appears in the specification of Exhibit 1, and that the portion of the figure in this paragraph appears to be a modified version of FIG. 1 from Exhibit 1. Microsoft denies the last sentence of paragraph 19. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 19, and therefore denies them.

20. Microsoft admits that the block-quoted language in this paragraph appears in Claim 1 of Exhibit 1. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 20.

21. Microsoft admits that Exhibit 2 to the Complaint appears to be a copy of United States Patent No. 7,437,730 (the “730 Patent”), entitled “System and Method for Providing a Scalable On Demand Hosting System,” and that the face of Exhibit 2 lists an issue date of October 14, 2008. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 21.

22. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 22, and therefore denies them.

23. Microsoft denies the first and second sentences of paragraph 23. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 23, and therefore denies them.

24. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 24, and therefore denies them.

25. Microsoft denies the first sentence of paragraph 25. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 25, and therefore denies them.

26. Microsoft admits that FIG. 1 from this paragraph appears in Exhibit 2. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 26, and therefore denies them.

27. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 27, and therefore denies them.

28. Microsoft admits that the block-quoted language in this paragraph appears in Claim 1 of Exhibit 2. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 28.

29. Microsoft admits that Exhibit 3 to the Complaint appears to be a copy of United States Patent No. 8,381,209 (the “’209 Patent”), entitled “Moveable Access Control List (ACL) Mechanisms for Hypervisors and Virtual Machines and Virtual Port Firewalls,” and that the face of Exhibit 3 lists an issue date of February 19, 2013. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 29.

30. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 30, and therefore denies them.

31. Microsoft denies the first sentence of paragraph 31. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 31, and therefore denies them.

32. Microsoft denies the first sentence of paragraph 32. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 32, and therefore denies them.

33. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 33, and therefore denies them.

34. Microsoft admits that FIG. 4 from this paragraph appears in Exhibit 3. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 34, and therefore denies them.

35. Microsoft admits that the block-quoted language in this paragraph appears in Claim 1 of Exhibit 3. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 35.

36. Microsoft admits that Exhibit 4 to the Complaint appears to be a copy of United States Patent No. 8,572,612 (the “’612 Patent”), entitled “Autonomic Scaling of Virtual Machines in a Cloud Computing Environment,” and that the face of Exhibit 4 lists an issue date of October 29, 2013. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 36.

37. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 37, and therefore denies them.

38. Microsoft denies the first and second sentences of paragraph 38. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 38, and therefore denies them.

39. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 39, and therefore denies them.

40. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 40, and therefore denies them.

41. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 41, and therefore denies them.

42. Microsoft admits that FIG. 3 from this paragraph appears in Exhibit 4. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 42, and therefore denies them.

43. Microsoft admits that the block-quoted language in this paragraph appears in Claim 1 of Exhibit 4. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 43.

44. Microsoft admits that Exhibit 5 to the Complaint appears to be a copy of United States Patent No. 8,671,132 (the “’132 Patent”), entitled “System, Method, and Apparatus for Policy-Based Data Management,” and that the face of Exhibit 5 lists an issue date of March 11, 2014. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 44.

45. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 45, and therefore denies them.

46. Microsoft denies the first and second sentences of paragraph 46. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 46, and therefore denies them.

47. Microsoft admits that the quoted language appears in the specification of Exhibit 5, but contains certain alterations as reflected in the Complaint. Microsoft denies the first sentence of paragraph 47. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 47, and therefore denies them.

48. Microsoft admits that FIG. 2 from paragraph 48 appears in Exhibit 5. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 48, and therefore denies them.

49. Microsoft admits that the quoted language from paragraph 49 appears in the specification of Exhibit 5. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the remaining allegations in paragraph 49, and therefore denies them.

50. Microsoft admits that the block-quoted language in paragraph 50 appears in Claim 15 of Exhibit 5. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 50.

51. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 51, and therefore denies them.

52. This paragraph of the Complaint states conclusions of law as to which no response is required. To the extent a response is nonetheless deemed to be required, Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 52, and therefore denies them.

53. Microsoft admits that it is a technology company founded in 1975, and that Microsoft's "Windows Azure" product was later renamed Microsoft Azure. Microsoft further admits that its 2019 Annual Report contains the quoted phrase referenced in this paragraph of the Complaint, but denies that the report is available at the recited URL. Except as expressly admitted, Microsoft denies the allegations in paragraph 53.

54. Denied.

55. Microsoft admits that Microsoft makes and uses Microsoft SQL Server in the United States. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 55.

56. Microsoft admits that Microsoft makes and uses a feature called "Database Mirroring" in some versions of Microsoft SQL Server in the United States. Microsoft further admits that a webpage located at <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/database-mirroring-sql-server?view=sql-server-ver15> contains the phrase "Database Mirroring is a solution for increasing the availability of a SQL Server database." To the extent



that allegations of paragraph 56 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 56.

57. Microsoft admits that Microsoft makes and uses a feature called “Log Shipping” in some versions of Microsoft SQL Server in the United States. Microsoft admits that a webpage located at <https://docs.microsoft.com/en-us/sql/database-engine/log-shipping/about-log-shipping-sql-server?view=sql-server-ver15> contains the phrase “SQL Server Log shipping allows you to automatically send transaction log backups from a primary database on a primary server instance to one or more secondary databases on separate secondary server instances” referenced in paragraph 57. To the extent that the allegations of paragraph 57 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 57.

58. Microsoft admits that the two images referenced in paragraph 58 appear on a webpage located at <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/database-mirroring-sql-server?view=sql-server-ver15>. To the extent that the allegations of paragraph 58 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 58.

59. Microsoft admits that Microsoft makes and uses Microsoft Azure in the United States. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 59.

60. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/security/fundamentals/infrastructure-components>. To the extent that the allegations of paragraph 60 seek to paraphrase or characterize the contents of documents, the documents speak

for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 60.

61. Microsoft admits that there are webpages located at <https://docs.microsoft.com/en-us/azure/virtual-machines/availability> and <https://docs.microsoft.com/en-us/azure/virtual-machines/windows/tutorial-availability-sets>. To the extent that the allegations of paragraph 61 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 61.

62. Microsoft admits that a webpage is located at <https://docs.microsoft.com/en-us/azure/azure-resource-manager/management/overview>. To the extent that the allegations of paragraph 62 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 62.

63. Microsoft admits that it has referred to Azure Virtual Machines as an Infrastructure-as-a-Service (IaaS) offering in Microsoft Azure, and that it has made and used Azure Virtual Machines in the United States. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 63.

64. Microsoft admits that there is a webpage located at <https://azure.microsoft.com/en-in/overview/what-is-iaas/>. To the extent that the allegations of paragraph 64 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 64.

65. Microsoft admits that a PDF is available at [https://azure.microsoft.com/mediahandler/files/resourcefiles/azure-virtual-datacenter-lift-and-shift-guide/Azure\\_Virtual\\_Datacenter\\_Lift\\_and\\_Shift\\_Guide.pdf](https://azure.microsoft.com/mediahandler/files/resourcefiles/azure-virtual-datacenter-lift-and-shift-guide/Azure_Virtual_Datacenter_Lift_and_Shift_Guide.pdf). To the extent that the

allegations of paragraph 65 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 65.

66. Microsoft admits that it makes and uses Virtual Machine Scale Sets in the United States. Microsoft further admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/>. To the extent that the allegations of paragraph 66 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 66.

67. Microsoft admits that there are webpages located at <https://azure.microsoft.com/en-in/services/virtual-machine-scale-sets/>, <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/overview>, and <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/virtual-machine-scale-sets-vertical-scale-reprovision>. To the extent that the allegations of paragraph 67 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft denies the remaining allegations in this paragraph.

68. Microsoft admits that it makes and uses the Azure Site Recovery service in the United States. Microsoft further admits that there is a webpage located at <https://azure.microsoft.com/en-us/services/site-recovery/>. To the extent that the allegations of paragraph 68 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 68.

69. Microsoft admits that it makes and uses products in the United States that utilize and/or work with network security groups. Microsoft further admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/site-recovery/concepts-traffic-manager-with-site->

recovery. To the extent that the allegations of paragraph 69 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 69.

70. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/site-recovery/concepts-network-security-group-with-site-recovery>. To the extent that the allegations of paragraph 70 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 70.

71. Microsoft lacks knowledge or information sufficient to form a belief as to the truth or veracity of the allegations in paragraph 71, and therefore denies them.

72. Microsoft admits that it makes and uses Azure Blob Storage in the United States. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 72.

73. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/storage/blobs/storage-lifecycle-management-concepts?tabs=azure-portal>. To the extent that the allegations of paragraph 73 seek to paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 73.

#### **FIRST COUNT**

74. Microsoft restates and incorporates herein by reference the responses contained in paragraphs 1-73 as if fully set forth herein.

75. Denied.

76. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/sql/relational-databases/databases/databases?view=sql-server-ver15>. Microsoft also admits

that a document is available for download at <http://download.microsoft.com/download/d/9/4/d948f981-926e-40fa-a026-5bfcf076d9b9/DBMandLogShipping.docx>.

To the extent that the allegations of paragraph 76 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies the remaining allegations in paragraph 76.

77. To the extent that the allegations of paragraph 77 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 77.

78. Microsoft admits that there are webpages located at <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/database-mirroring-operating-modes?view=sql-server-ver15> and <https://docs.microsoft.com/en-us/sql/t-sql/statements/alter-database-transact-sql-database-mirroring?view=sql-server-ver15>. To the extent that the allegations of paragraph 78 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 78.

79. To the extent that the allegations of paragraph 79 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 79.

80. To the extent that the allegations of paragraph 80 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 80.

81. Microsoft admits that there are webpages located at <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/database-mirroring-monitor-overview?view=sql-server-ver15> and <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/monitoring-database-mirroring-sql-server?view=sql-server-ver15>. To the extent that the allegations of paragraph 81 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft further admits that the webpage located at <https://docs.microsoft.com/en-us/sql/database-engine/database-mirroring/monitoring-database-mirroring-sql-server?view=sql-server-ver15> contains the quoted phrase: “The first time sp\_dbmmonitorupdate runs, it creates the database mirroring status table and the dbm\_monitor fixed database role in the msdb database. sp\_dbmmonitorupdate usually updates the mirroring status by inserting a new row into the status table for every mirrored database on the server instance.” Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 81.

82. To the extent that the allegations of paragraph 82 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 82.

83. To the extent that the allegations of paragraph 83 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 83.

84. To the extent that the allegations of paragraph 84 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 84.

85. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/sql/database-engine/log-shipping/about-log-shipping-sql-server?view=sql-server-ver15>. To the extent that the allegations of paragraph 85 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 85.

86. Denied.

87. Denied.

88. Denied.

89. Denied.

90. Denied.

91. Denied.

92. Denied.

## SECOND COUNT

93. Microsoft restates and incorporates herein by reference the responses contained in paragraphs 1-93 as if fully set forth herein.

94. Denied.

95. Microsoft admits that there are webpages located at <https://azure.microsoft.com/en-us/global-infrastructure/geographies/>, <https://docs.microsoft.com/en-us/azure/virtual-machines/troubleshooting/allocation-failure>, and <https://docs.microsoft.com/en-us/azure/architecture/reference-architectures/n-tier/n-tier-sql-server>. Microsoft further admits that the webpage <https://docs.microsoft.com/en-us/azure/architecture/reference-architectures/n-tier/n-tier-sql-server> appears to include the image referenced in paragraph 95 of the Complaint. To the extent that the allegations of paragraph 95 seek to quote, paraphrase or characterize the contents

of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 95.

96. Microsoft admits that there is a video on YouTube at the following URL: <https://www.youtube.com/watch?v=KXkBZCe699A&app=desktop>. To the extent that the allegations of paragraph 96 seek to quote, paraphrase or characterize the contents of documents or videos, the documents and videos speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 96.

97. To the extent that the allegations of paragraph 97 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 97.

98. Microsoft admits that there is a webpage located at <https://azure.microsoft.com/en-in/services/virtual-machine-scale-sets/>. Microsoft further admits that there is a PDF file available at [https://azure.microsoft.com/mediahandler/files/resourcefiles/azure-virtual-datacenter-lift-and-shift-guide/Azure\\_Virtual\\_Datacenter\\_Lift\\_and\\_Shift\\_Guide.pdf](https://azure.microsoft.com/mediahandler/files/resourcefiles/azure-virtual-datacenter-lift-and-shift-guide/Azure_Virtual_Datacenter_Lift_and_Shift_Guide.pdf). To the extent that the allegations of paragraph 98 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 98.

99. To the extent that the allegations of paragraph 99 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 99.

100. To the extent that the allegations of paragraph 100 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves Microsoft otherwise denies paragraph 100.



101. To the extent that the allegations of paragraph 101 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 101.

102. Denied.

103. Denied.

104. Denied.

105. Denied.

106. Denied.

107. Denied.

108. Denied.

109. Denied.

### **THIRD COUNT**

110. Microsoft restates and incorporates herein by reference the responses contained in paragraphs 1-109 as if fully set forth herein.

111. Denied.

112. Microsoft admits that there is a webpage located at <https://azure.microsoft.com/en-us/services/site-recovery/>. To the extent that the allegations of paragraph 112 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 112.

113. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/virtual-network/network-security-groups-overview#network-security-groups>. Microsoft also admits that a webpage located at <https://docs.microsoft.com/en-us/azure/virtual-network/network-security-group-how-it-works> contains the quoted phrase: “Network security

groups are associated to subnets or to virtual machines and cloud services deployed in the classic deployment model, and to subnets or network interfaces in the Resource Manager deployment model.” To the extent that the allegations of paragraph 113 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 113.

114. Microsoft admits that there is a webpage located at <https://github.com/MicrosoftDocs/azure-docs/blob/master/articles/security/fundamentals/production-network.md>. To the extent that the allegations of paragraph 114 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 114.

115. Denied.

116. Denied.

117. Denied.

118. Denied.

119. Denied.

120. Denied.

121. Denied.

#### **FOURTH COUNT**

122. Microsoft restates and incorporates herein by reference the responses contained in paragraphs 1-121 as if fully set forth herein.

123. Denied.

124. Microsoft admits that there are webpages located at <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/virtual-machine-scale-sets-autoscale-portal>,

<https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/overview>, and <https://docs.microsoft.com/en-us/azure/security/fundamentals/infrastructure-components>. To the extent that the allegations of paragraph 124 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 124.

125. Microsoft admits that there are webpages located at <https://azure.microsoft.com/en-in/overview/what-is-a-virtual-machine/> and <https://github.com/MicrosoftDocs/azure-docs/blob/master/articles/virtual-machine-scale-sets/virtual-machine-scale-sets-deploy-app.md>. To the extent that the allegations of paragraph 125 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 125.

126. To the extent that the allegations of paragraph 126 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 126.

127. To the extent that the allegations of paragraph 127 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 127.

128. To the extent that the allegations of paragraph 128 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 128.

129. To the extent that the allegations of paragraph 129 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 129.

130. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/azure-monitor/app/azure-vm-vmss-apps>. To the extent that the allegations of paragraph 130 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 130.

131. To the extent that the allegations of paragraph 131 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 131.

132. To the extent that the allegations of paragraph 132 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 132.

133. Microsoft admits that a webpage located at <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/quick-create-portal> contains the phrase: “You can scale the number of VMs in the scale set manually, or define rules to autoscale based on resource usage like CPU, memory demand, or network traffic.” Microsoft further admits that the same quoted phrase appears on a webpage located at <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/quick-create-template-linux>. Microsoft also admits that the image referenced in this paragraph appears to be a modified version of a graphic located at <https://docs.microsoft.com/en-us/azure/virtual-machine-scale-sets/quick-create-portal>. To the extent that the allegations of paragraph 133 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 133.

134. To the extent that the allegations of paragraph 134 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 134.

135. To the extent that the allegations of paragraph 135 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 135.

136. To the extent that the allegations of paragraph 136 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 136.

137. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/bs-cyrl-ba/azure/cloud-adoption-framework/get-started/what-is-azure>. Microsoft further admits that the second image referenced in paragraph 137 appears on a webpage located at <https://azurehangout.com/azure-resource-manager-arm-template-structure-01-schema-element/>. To the extent that the allegations of paragraph 137 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 137.

138. To the extent that the allegations of paragraph 138 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 138.

139. Denied.

140. Denied.

141. Denied.

142. Denied.

143. Denied.

144. Denied.

145. Denied.

#### **FIFTH COUNT**

146. Microsoft restates and incorporates herein by reference the responses contained in paragraphs 1-145 as if fully set forth herein.

147. Denied.

148. To the extent that the allegations of paragraph 147 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 147.

149. To the extent that the allegations of paragraph 149 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 149.

150. Microsoft admits that there is a webpage located at <https://docs.microsoft.com/en-us/azure/storage/blobs/storage-quickstart-blobs-storage-explorer>. To the extent that the allegations of paragraph 150 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 150.

151. To the extent that the allegations of paragraph 151 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 151.

152. To the extent that the allegations of paragraph 152 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Microsoft otherwise denies paragraph 152.

153. Microsoft admits that the image referenced in paragraph 153 of the Complaint appears to be an excerpt from a webpage located at <https://docs.microsoft.com/en-us/dotnet/api/microsoft.azure.management.storage.fluent.models.managementpolicybaseblob.tier.tocool?view=azure-dotnet>. To the extent that the allegations of paragraph 153 seek to quote, paraphrase or characterize the contents of documents, the documents speak for themselves. Except as expressly admitted, Microsoft denies all remaining allegations in paragraph 153.

154. Denied.

155. Denied.

156. Denied.

157. Denied.

158. Denied.

159. Denied.

160. Denied.

161. Denied.

162. Denied.

163. Denied.

#### **PLAINTIFF'S PRAYER FOR RELIEF**

The section of the Complaint titled "PRAYER FOR RELIEF," including paragraphs (a) through (h) therein, set forth a prayer for relief requested by Daedalus to which no response is required. However, to avoid doubt and possible confusion, Microsoft denies that Daedalus is

entitled to any of the relief requested in the Complaint or to any relief whatsoever. Further, and to the extent that the Complaint's Prayer for Relief includes any factual allegations, Microsoft denies those allegations.

## **DEFENSES**

Microsoft asserts the following defenses and reserves the right to amend its Answer as additional information becomes available. By way of listing the following defenses, Microsoft does not assume any legal or factual burden not otherwise assigned to it under the law.

### **First Defense: Non-Infringement of the '886 Patent**

1. Microsoft has not infringed and does not infringe, directly or indirectly, any claim of the '886 Patent.

### **Second Defense: Invalidity of the '886 Patent**

2. One or more of the claims of the '886 Patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.

### **Third Defense: Non-Infringement of the '730 Patent**

3. Microsoft has not infringed and does not infringe, directly or indirectly, any claim of the '730 Patent.

### **Fourth Defense: Invalidity of the '730 Patent**

4. One or more of the claims of the '730 Patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.



**Fifth Defense: Non-Infringement of the '209 Patent**

5. Microsoft has not infringed and does not infringe, directly or indirectly, any claim of the '209 Patent.

**Sixth Defense: Invalidity of the '209 Patent**

6. One or more of the claims of the '209 Patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.

**Seventh Defense: Non-Infringement of the '612 Patent**

7. Microsoft has not infringed and does not infringe, directly or indirectly, any claim of the '612 Patent.

**Eighth Defense: Invalidity of the '612 Patent**

8. One or more of the claims of the '612 Patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.

**Ninth Defense: Non-Infringement of the '132 Patent**

9. Microsoft has not infringed and does not infringe, directly or indirectly, any claim of the '132 Patent.

**Tenth Defense: Invalidity of the '132 Patent**

10. One or more of the claims of the '132 Patent are invalid for failure to satisfy the conditions of patentability set forth in 35 U.S.C. § 1 *et seq.*, including 35 U.S.C. §§ 101, 102, 103, and/or 112.

**Eleventh Defense: License**

11. Plaintiff's claims are precluded, in whole or in part, by the doctrines of express and implied license.

**Twelfth Defense: Limitation of Recovery**

12. Any potential recovery is barred, in whole or in part, by one or more of 35 U.S.C. §§ 286, 287, and 288, including without limitation failure to mark and statute of limitations.

**Thirteenth Defense: Absence of Damages**

13. Daedalus has not suffered and will not suffer any injury or damages as a result of the conduct alleged of Microsoft in the Complaint.

**Fourteenth Defense: Unavailability of Injunctive Relief**

14. Daedalus is not entitled to injunctive relief (temporarily, preliminarily, or permanently), including because any injury to it is not immediate or irreparable, Daedalus would have an adequate remedy at law, the balance of hardships favors no injunction, the public interest is best served by no injunction.

**RESERVATION OF ADDITIONAL DEFENSES**

Microsoft's investigation of the claims and its defenses is continuing. Microsoft reserves the right to assert additional defenses, such as through amendment of its Answer, that may develop through discovery in this action or otherwise.

**DEMAND FOR A JURY TRIAL**

Microsoft requests a jury trial on all issues so triable.

**DEFENDANT'S PRAYER FOR RELIEF**

WHEREFORE, having fully answered, Microsoft prays that the Court enter a judgment:

A. in favor of Microsoft and against Daedalus;

- B. dismissing Daedalus's Complaint (and each and every claim therein) with prejudice and ordering that Daedalus take nothing from Microsoft under the Complaint;
- C. declaring the Asserted Patents invalid and unenforceable against Microsoft;
- D. declaring that Microsoft has not infringed and is not infringing the Asserted Patents;
- E. declaring that this is an exceptional case under 35 U.S.C. § 285 and awarding Microsoft its attorneys' fees and expenses in this action;
- F. awarding Microsoft its costs in this action; and
- G. granting such other and further relief to Microsoft that this Court deems just and proper.

Dated: February 22, 2021

Respectfully submitted,

/s/ Barry K. Shelton

Barry K. Shelton  
Texas State Bar No. 24055029  
**SHELTON COBURN LLP**  
311 RR 320, Suite 205  
Austin, TX 78734-4775  
[bshelton@sheltoncoburn.com](mailto:bshelton@sheltoncoburn.com)  
Tel: (512) 263-2165  
Fax: (512) 263-2166

Jared Bobrow (CA State Bar No. 133712)  
Jacob M. Heath (CA State Bar No. 238959)  
**ORRICK, HERRINGTON & SUTCLIFFE LLP**  
1000 Marsh Road  
Menlo Park, CA 94025  
Tel: (650) 614-7400  
Fax: (650) 614-7401  
[jbobrow@orrick.com](mailto:jbobrow@orrick.com)  
[jheath@orrick.com](mailto:jheath@orrick.com)

Donald E. Daybell (CA State Bar No. 210961)  
**ORRICK, HERRINGTON & SUTCLIFFE LLP**  
2050 Main Street, Suite 1100  
Irvine, CA 92614  
Tel: (949) 567-6700  
Fax: (949) 567-6710  
[ddaybell@orrick.com](mailto:ddaybell@orrick.com)

*Attorneys for Defendant Microsoft Corporation*

**CERTIFICATE OF SERVICE**

The undersigned certifies that on February 22, 2021, all counsel of record who are deemed to have consented to electronic service are being served with a copy of this document through the Court's CM/ECF system.

/s/ Barry K. Shelton

Barry K. Shelton